

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6647**

**BILL NUMBER:** SB 168

**NOTE PREPARED:** Dec 22, 2011

**BILL AMENDED:**

**SUBJECT:** Liability for Underground Storage Tank Fees.

**FIRST AUTHOR:** Sen. Randolph

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that the state may impose a lien on property on which an underground storage tank is located, if the owner or operator of the storage tank fails to pay underground storage tank fees. It requires the Department of Environmental Management (IDEM) to: (1) provide 30 days written notice before filing a lien; and (2) record the lien with the county recorder in the county in which the property is located. The bill also provides that a bona fide purchaser is eligible to receive funds from the underground storage tank excess liability trust fund if: (1) the transferor fails to pay any registration fees; and (2) IDEM fails to record the lien.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** *IDEM:* This bill allows a lien to be imposed on the property of owners that do not pay underground storage tank fees. This bill requires IDEM to provide at least 30 days written notice to the owner, tenant or operator of the property before filing a lien, and to record the lien with the county recorder in the county where the property is located. Any impact in expenditures will depend upon the extent that liens must be imposed.

*Underground Petroleum Storage Tank Excess Liability Trust Fund (ELTF).* The bill provides that bona fide purchasers are eligible to receive funds from the ELTF if a transferor fails to pay any registration fees, and IDEM fails to record a lien. The impact that this provision will have on expenditures from the ELTF will depend on the number and nature of such claims.

Current statute provides that a transferee of property upon which a tank was located is eligible to receive money from the ELTF if the transferor of the property was eligible to receive money with respect to the

property.

Revenue in the ELTF fluctuates, recently between \$45 M to \$50 M annually.

**Explanation of State Revenues:** Imposing liens could assist in collecting underground storage tank fees, but it is unknown to what extent. Annual registration fees for underground storage tanks are \$90 for petroleum, and \$245 for regulated substances other than petroleum. About \$48 M was collected in underground petroleum storage tank fees for FY 2011. Fees are deposited as follows for underground petroleum storage tanks: \$45 is deposited in the Excess Liability Trust Fund; and \$45 is deposited in the Petroleum Trust Fund.

Fees for underground storage tanks used to contain regulated substances other than petroleum are deposited as follows: \$45 is deposited in the Hazardous Substances Response Trust Fund; and \$200 is deposited in the Excess Liability Trust Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM.

**Local Agencies Affected:**

**Information Sources:** Brad Baughn, IDEM, 317-234-3386; Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, Fiscal Year 2011.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.